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November 22, 2005

**VIA HAND DELIVERY**

Mr. Charles L. A. Terreni  
Chief Clerk and Administrator  
Public Service Commission of SC  
100 Executive Center, Suite 100  
Columbia, South Carolina 29210

RECEIVED  
2005 NOV 22 PM 4:07  
SC PUBLIC SERVICE  
COMMISSION

**Re:** Application of South Carolina Pipeline Corporation for an Order Extending its Authority to Make Sales of Approved Emergency Gas (Supply Related) Until March 31, 2006  
Docket No.: 2005-261-G  
HSB File No.: 04381.217

Dear Mr. Terreni:

Enclosed for filing under Commission Regulation 103-834, is the original and six (6) copies of the APPLICATION OF SOUTH CAROLINA PIPELINE CORPORATION FOR AN ORDER EXTENDING ITS AUTHORITY TO MAKE SALES OF APPROVED EMERGENCY GAS (SUPPLY RELATED) UNTIL MARCH 31, 2006. Please be kind enough to return a clocked copy of the document via the bearer of this letter.

Under the prior order in this docket, the Supply-Related Emergency Gas Authorization will expire on December 1, 2005, unless extended by the Commission. We respectfully request that the Commission take this matter up for vote at its hearing on November 29, 2005. Please note that the only other party to this docket, the Office of Regulatory Staff, has joined in the Application.

Thank you for your consideration of this matter.

Sincerely,



Belton T. Zeigler

BTZ/abm

enclosures

cc: Patricia B. Morrison, Esquire  
Mitchell Willoughby, Esquire  
Florence P. Belser, Esquire

STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

In Re: Application of South Carolina )  
Pipeline Corporation for an )  
Order Extending its Authority )  
to Make Sales of Approved )  
Emergency Gas (Supply Related) )  
Until March 31, 2006 )

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2005-261-G

APPLICATION

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STATE OF SOUTH CAROLINA	)	BEFORE THE
COUNTY OF RICHLAND	)	PUBLIC SERVICE COMMISSION
	)	OF SOUTH CAROLINA
	)	DOCKET NO. 2005-261-G
	)	
In Re: Application of South Carolina	)	
Pipeline Corporation for an	)	
Order Extending its Authority	)	APPLICATION
to Make Sales of Approved	)	
Emergency Gas (Supply Related)	)	
<u>Until March 31, 2006</u>	)	

Pursuant to S.C. Code Ann. Section 58-5-240 (1976), as amended, and Rule 103-834 of the South Carolina Code of Regulations, South Carolina Pipeline Corporation (the "Company" or "SCPC") hereby makes application to the Public Service Commission of South Carolina (the "Commission") for extension of Commission Order 2005-573, dated October 12, 2005, which authorized it to make sales of Approved Supply-Related Emergency Gas.

This Application for extension of Supply-Related Emergency Gas authority is based upon the following facts, circumstances, and information:

1. SCPC is a corporation organized under the laws of the State of South Carolina and operates an intra-state gas transmission system under the regulatory authority of this Commission.
2. After a hearing, on September 9, 2005 the Commission issued Order No. 2005-483(A), approving SCPC's request to offer Supply-Related Emergency Gas to curtailed interruptible customers priced at the actual delivered daily price of the specific source of supply used to serve the Customer, plus the applicable margin and other applicable costs and

charges.

3. Order No. 2005-483(A), specifically required that gas purchased to provide Supply-Related Emergency Gas service to curtailed interruptible customers not be considered in computing SCPC's weighted average cost of gas, or in administering any aspects of SCPC's Purchased Gas Adjustment process or orders. By its terms, Order No. 2005-483(A) was to expire on September 30, 2005.
4. On October 12, 2005 the Commission issued Order No. 2005-573 extending the authorization contained in Order No. 2005-483(A) to November 30, 2005 and further defining certain aspects of the administration of sales made under it.
5. Since September 1, 2005, a significant number of SCPC's interruptible customers have made use of Supply-Related Emergency Gas allowing these customers to continue operating their factories and businesses in spite of gas supply disruptions and disruptions in the supply of alternative fuels such as propane and fuel oil.
6. SCPC has firm supply resources sufficient to meet all anticipated firm requirements and SCPC foresees no difficulty in meeting firm customers' needs during the upcoming winter heating season.
7. In response to the continued uncertainty in natural gas markets and the possibility of further supply related curtailments of interruptible customers, SCPC respectfully requests that the Commission extend SCPC's authority to offer Supply-Related Emergency Gas to curtailed interruptible customers until the end of the 2005-2006 winter heating season, specifically until March 31, 2006.
8. As permitted in prior orders, SCPC would be authorized in its discretion to

make Supply-Related Emergency Gas available to curtailed interruptible customers on a daily basis priced at:

- a. The actual delivered daily price of the specific source of supply used to serve the Customer; plus
- b. The Commission approved maximum contract margin for service to customers falling in the applicable curtailment category; plus
- c. All other costs and charges related to the specific gas supply used to serve the Customer.

9. SCPC will not consider sales volumes and supply costs related to Approved Supply-Related Emergency Gas in computing SCPC's weighted average cost of gas, or in administering any aspects of SCPC's Purchased Gas Adjustment process or orders.
10. As permitted in Order No. 2005-573, SCPC will confirm Supply-Related Emergency Gas sales with its customers electronically. The following terms concerning balancing will apply:
  - a. When Customers use more Supply-Related Emergency Gas during a gas day than contracted for (resulting in a short position on SCPC), then SCPC may purchase additional Supply-Related Emergency Gas to balance their account (if SCPC deems additional purchases to be necessary). Customers will pay SCPC for any additional Supply-Related Emergency Gas purchased under the pricing terms set forth above.

- b. If Customers use less Supply-Related Emergency Gas than contracted for (resulting in a long position on SCPC), then Customers will pay for the unused gas under the pricing terms generally applicable to Supply-Related Emergency Gas. Customers will then be required to utilize all unused Supply-Related Emergency Gas purchased for their account prior to beginning any other gas purchases (including additional Supply-Related Emergency Gas purchases or other gas purchases made after the curtailment release of Customers' priority-of-service category).
  - c. Daily imbalances outside of tolerance of +/-5% are subject to the penalties permitted under Article IV, Section 6 of SCPC's General Terms and Conditions to Industrial Service Agreements for Unauthorized Overrun Gas taken by interruptible customers.
11. In some cases when supply related curtailments have been imposed, Customers have requested authorization to transport gas under their existing interruptible Transportation Contracts with SCPC. In those cases, Customers would obtain their own gas supplies to transport. By Order 2005-573, the Commission allowed SCPC to waive curtailment of interruptible transportation service on a day-to-day basis where curtailments are supply related and where SCPC determined that capacity existed to provide the requested interruptible transportation service. The effect of this authorization has been to allow Customers to use interruptible

transportation on a daily basis in lieu of Supply-Related Emergency Gas.

SCPC requests extension of this aspect of Order 2005-573 until March 31, 2006.

12. All pleadings, correspondence and communication relating to this Application should be addressed to the following, who are authorized representatives to accept service on behalf of the Company.

Patricia Banks Morrison  
South Carolina Pipeline Corporation  
1426 Main Street, MC 130  
Columbia, South Carolina 29218  
(803) 217-7880

Belton T. Zeigler  
Haynsworth Sinkler Boyd, P.A.  
Post Office Box 11889  
Columbia, South Carolina 29211  
(803) 779-3080

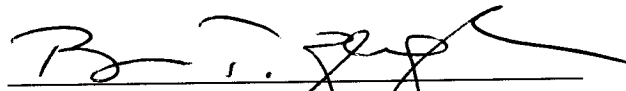
Mitchell Willoughby  
Willoughby & Hoefer, P.A.  
Post Office Box 8416  
Columbia, SC 29202-8416  
(803) 730-3550

WHEREFORE, South Carolina Pipeline Corporation prays that the Commission a) extend the effective date of Order 2005-573 until March 31, 2006, thereby authorizing Applicant to continue to make sales of Approved Supply-Related Emergency Gas, b) approve continued administration of the supply-related Emergency Gas sales program as set forth in Order 2005-573, c) authorize SCPC to continue to provide interruptible

transportation service on a daily basis to curtailed interruptible customers during supply related curtailments where it determines that capacity is sufficient to support such service, and d) provide such further or different relief as may be justified.

Respectfully submitted,

Patricia Banks Morrison  
1426 Main Street, MC 130  
South Carolina Pipeline Corporation  
Columbia, South Carolina 29218  
(803) 217-880

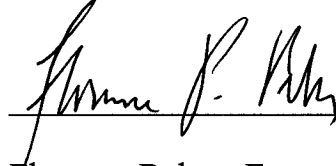
A handwritten signature in black ink, appearing to read "B. T. Zeigler", written over a horizontal line.

Belton T. Zeigler  
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The above Application has been reviewed and considered by the Office of Regulatory Staff. ORS finds the request to be in the public interest and would request approval of the petition in its entirety.

A handwritten signature in black ink, appearing to read "Florence Belser", is written over a horizontal line.

Florence Belser, Esq.  
Shannon Bowyer Hudson, Esq.  
Office of Regulatory Staff